

# NEVADA HIGHWAYS AND YOUR PROPERTY



*US 95 IN LAS VEGAS*

STATE OF NEVADA  
DEPARTMENT OF TRANSPORTATION

1263 SOUTH STEWART STREET  
CARSON CITY, NEVADA 89712



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### DEAR NEVADA PROPERTY OWNER:

More people means more cars, trucks, bikes, and buses on Nevada highways today and tomorrow.

To provide the new transportation facilities needed by the state's ever increasing population, and to upgrade roads to safe and efficient standards, the Department of Transportation is continuously planning and designing improvements.

If you have property near a busy street or highway, your property may be needed in the future to widen the roadway and relieve congestion.

We hope that this pamphlet, together with personal and individual assistance from our right of way personnel, will demonstrate that the needs and desires of property owners are considered fully and realistically in our highway programs.



## HIGHWAY RIGHT OF WAY NEEDS

To provide much needed transportation improvements, it is sometimes necessary for the state to acquire private property. The rights of the property owners and occupants are protected by both state and federal laws. When private property is needed for highway right of way, owners will receive fair and just compensation and assistance.



**When property is needed for highway right of way, owners will receive fair and just compensation.**

## WHY THIS LOCATION?

Creating a new highway or improving an existing one involves planning, design and construction. The process involves many steps. Transportation professionals study

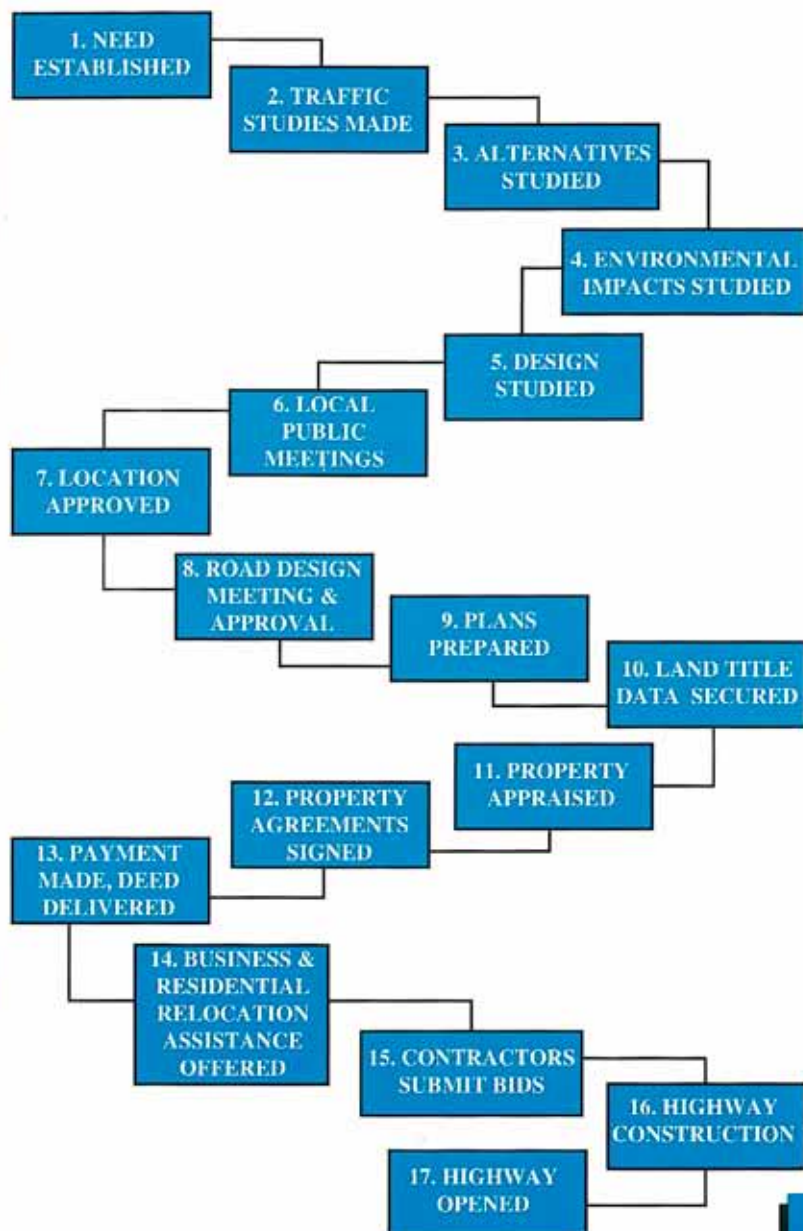


present and projected traffic patterns, soil conditions, design, topography, construction and environmental factors. Alternatives are presented

for consideration at public meetings in which the public is invited to participate. Local, state and federal authorities approve a location based on information gathered in this process.

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## HIGHWAY PLANNING, DESIGN AND CONSTRUCTION





## HOW IS VALUE DETERMINED?

When design is complete and approved, money is available and the department is ready to acquire all or part of a parcel, the owner will receive a letter from the right of way division introducing the appraiser. The appraiser will contact the owner to arrange a joint inspection of the property. This affords an opportunity to point out any unusual or special features the property may possess.

The appraiser may be a member of the Nevada Department of Transportation staff or may be an independent appraiser, working under a contract with the department. In either case, appraisers are professionals who are educated and trained in property valuation. They will gather pertinent information concerning the property value. Their reports will be based on a thorough inspection of your property, a comparison with similar properties which have sold recently, determination of building costs if any and consideration of income-producing potential. Pictures and measurements will be taken and the appraisers will talk to the owners about the property.

Additional appraisals may be needed if the property has factors that complicate its value.

Once the appraisals are complete, they are then submitted to a review appraiser who will also inspect the property and check the report to verify completeness and accuracy. This review insures that the property has received an impartial estimation of the fair market value.

**The appraisal report will be based on a thorough inspection of the property, a comparison with similar properties which have sold recently, determination of building costs if any, and consideration of income-producing potential.**

### WHO WILL CONTACT AFFECTED PROPERTY OWNERS?

One of NDOT's right of way agents will contact affected property owners. Before calling for an appointment, the agent will collect and study the available information concerning the property and will be prepared to explain the details of the proposed highway construction. The right of way agent will answer or obtain answers to any questions the owner has concerning acquisition.

The agent will present the state's offer to purchase the property that is needed and confirm it in writing with a summary of the appraisal. The agent can and will discuss many aspects of the appraisal.

When agreement is reached, the right of way agent will have the necessary papers and documents prepared for signature and make arrangements for full and prompt cash payment for property purchased.





### HOW MUCH WILL BE OFFERED?

The state's offer will be comparable to the amount that would be offered if the property were up for sale and sold to any other buyer under normal market conditions. The appraiser, the review appraiser and the negotiator all have the responsibility of making sure fair market value is paid for acquired property.

The state is a cash buyer, so shortly after signing the deed, property owners will receive a check.

### WHAT IF ONLY PART IS TAKEN?

If only part of the property is to be acquired and the acquisition decreases the value of the remaining property, payment will be made for damages in addition to the payment for the value of the land taken. This loss of value, or damages, will be estimated and included in the appraisal summary. Restriction of access to remaining property is considered a compensable damage. If the

**A right of way agent will assist owners in obtaining the information necessary to reach a sound decision.**

acquisition leaves a remnant parcel of land which has little or no value or utility, the state may offer to purchase the remnant. The right of way agent will explain the impacts and any choices.

### **TENANT-OWNED BUILDINGS, STRUCTURES & IMPROVEMENTS**

The Nevada Department of Transportation is required to pay for property as if it were in a single ownership. The contributory value of the tenant's improvements will be paid to the tenant if the property owner disclaims all interest in the improvements the tenant claims to own.

In consideration for payment, the tenant must assign, transfer and release to the Department of Transportation all rights, title and interest in and to such improvements.

### CAN THE PROPERTY OWNER KEEP THE BUILDINGS?

Yes. In this case, property owners will be paid the full market value of the land and improvements less the retention value of the buildings. This retention value is determined by the Department of Transportation's property management section. It would be the owners'

responsibility to have the buildings moved, either to any remaining property or to a new location.



Before deciding to keep buildings, owners should ask the local

building inspector about permits, regulations and possible restrictions in the area where buildings will be moved. It is possible that the cost of moving the buildings may be excessive, making the move an unwise expenditure.

A right of way agent will assist in obtaining the information necessary for owners to reach a sound decision.



## REIMBURSEMENT OF INCIDENTAL EXPENSES

Owners are entitled to be reimbursed for fair and reasonable expenses necessarily incurred for:

1. Recording fees, title examination charges, escrow fees and similar expenses incidental to conveying real property to the acquiring agency.
2. Penalty costs for prepayment of any pre-existing, recorded mortgage, entered into in good faith, encumbering the property.
3. The pro rata portion of real property taxes that have been paid which are allocable to the period after the title passes to the acquiring agency, or the date of effective possession, whichever is earlier.

## HOW CAN LIENS BE SATISFIED ?

As in a private sale, the property owner is responsible for satisfying any outstanding loans and liens against the property. The right of way agent will deposit the state's acquisition funds into an escrow account. The escrow officer will assist in obtaining a full or partial release of

any liens.

These payments will be deducted from the amount owners receive from the state and sent directly to the holder of the lien.



When selling all or part of a property in a private real estate transaction, most lending agencies would require a prepayment penalty. If a prepayment penalty is required, the state will pay it at no expense to the owner.

For GI loans, the Veterans Administration recognizes that the sale of property to the state is not one of the owner's choosing. Under these circumstances, GI loan privileges may be restored and made available for purchase of another property.

### WHAT ABOUT PROPERTY TAXES?

The property owner is responsible only for payment of property taxes accruing to the date the deed to the state is recorded. Usually, the right of way agent will arrange to have the amount of these taxes deducted from the state's final payment and a check will be mailed directly to the county treasurer.

### MUST INCOME TAX BE PAID ON THE SALE?

Property may be worth more today than when it was purchased, and would therefore be subject to capital gains tax. The sale of property for public purposes is considered by the Internal Revenue Service to be an "involuntary conversion." Depending on how the profits from the sale to the state are reinvested, it may not be necessary to pay income tax or capital gains tax. Payment for damages also may not be taxable. Owners are urged to consult an attorney, accountant, tax advisor or the Internal Revenue Service office on this matter.





### WHAT ABOUT ACCESS TO REMAINING PROPERTY?

The type of highway dictates the kind of access that will be available to adjacent property. If only part of the property is taken, access to the remaining property may be restricted depending upon the type of road. Conventional

highways and freeways are each designed and constructed to standards that meet different traffic needs. On conventional highways, access determination is planned for the safety of the property owner



and traveling public. Freeways are controlled-access highways. On these, access is planned and entrances and exits are designed to provide safe and efficient traffic movement. If access is restricted, compensation will be made by the state.

**Conventional highways and freeways are each designed and constructed to standards that meet different traffic needs.**

## WHEN WILL THE PROPERTY HAVE TO BE VACATED?

In order to have ample time to move, and to clear the area for construction, the right of way division tries to work well in advance of the highway construction schedule. Owners will be given written notice on or after the date of initiation of negotiations stating that they will not be required to move for at least 90 days.

The department will not take any action which would coerce an owner into accepting its offer. This includes advancing the time of condemnation, deferring negotiations or condemnation, or postponing the deposit of funds in court for the purpose of coercing acceptance of an offer.

Owners are not required to surrender possession of property until:

1. Being paid the agreed purchase price, or
2. An amount at least equal to the agency's approved appraisal of the value of the property is deposited with the court, or
3. The award resulting from a condemnation proceeding is deposited with the court.



Once the department has acquired the property, it reserves the option to rent it, subject to termination on short notice. If the department should select this option, the rent the department may charge may not exceed the economic rental value of the property to a short-term tenant.

The right of way agent will make every effort to see that the move will be made with a minimum of personal inconvenience.

### **WILL THE STATE PROVIDE HELP IN MOVING?**

Yes. Owners and tenants will be personally contacted by the department's relocation assistance staff who will help find suitable replacement premises.

This service will be provided for any individual, family, business concern, farm or nonprofit organization that occupies the premises, whether as an owner or as a tenant. Additionally, financial assistance may be available for obtaining replacement housing. Such relocation payments are made in addition to the price paid for the purchase of the property.

A relocation brochure explaining in greater detail all assistance and benefits available will be provided by the relocation agent.



### WHAT HAPPENS WHEN THE OWNER AND THE STATE DON'T AGREE?

If an owner does not agree with the amount offered by the right of way agent, the owner may submit another appraisal for consideration and review.

If agreement still cannot be reached, it may be necessary for the owner to obtain legal advice and for a court to determine just compensation for the property. If highway construction must begin, the court may permit occupancy by the state while the compensation is being determined.



### WILL COURT ACTION DELAY PAYMENT?

If the state requests and is granted occupancy by the court, the amount of the approved offer is deposited with the clerk of the court. The owner may withdraw this sum, after payment of any liens, by applying to the court.



Withdrawing these funds will not prejudice or affect the owner's right to have the final amount determined by court action.

## READY TO HELP YOU

**Right of Way District Offices:**

1263 South Stewart Street  
 Carson City, Nevada 89712 ..... 888-7480  
 123 East Washington Avenue  
 Las Vegas, Nevada 89101 ..... 385-6540  
 P.O. Box 170  
 Las Vegas, Nevada 89125-0170

*In other areas, you may contact District Offices in:*

**Reno**

310 Galletti Way  
 Sparks, Nevada 89431 ..... 834-8300

**Winnemucca**

725 West Fourth Street,  
 Winnemucca, Nevada 89445 ..... 623-8000  
 P.O. Box 3267  
 Winnemucca, NV 89446

**Elko**

1951 Idaho Street  
 Elko, Nevada 89801 ..... 777-2700

**Ely**

1401 Avenue F.  
 Ely, Nevada 89301 ..... 289-1700

**Tonopah**

805 Erie Main, P.O. Box 791  
 Tonopah, Nevada 89049 ..... 482-2375

\* Effective May 15, 1999 Nevada's area code for all areas outside of Clark County is 775. Clark County, including Las Vegas, remains area code 702.



## RELATED PUBLICATIONS

Relocation Assistance in Nevada

Nevada State & Local Government Agency  
Real Property Acquisition and Relocation Assistance  
Brochure

Terms and Conditions Relating to Right of Way  
Occupancy Permits

**Nevada Department of Transportation**  
1263 South Stewart Street  
Carson City, NV 89712 (775) 888-7000  
[pio@ndot.state.nv.us](mailto:pio@ndot.state.nv.us)



**State Operator**  
Carson City..... (775) 684-1000  
Southern Nevada..... (702) 486-3000  
Toll Free..... (800) 992-0900

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